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with Shopping Center Age

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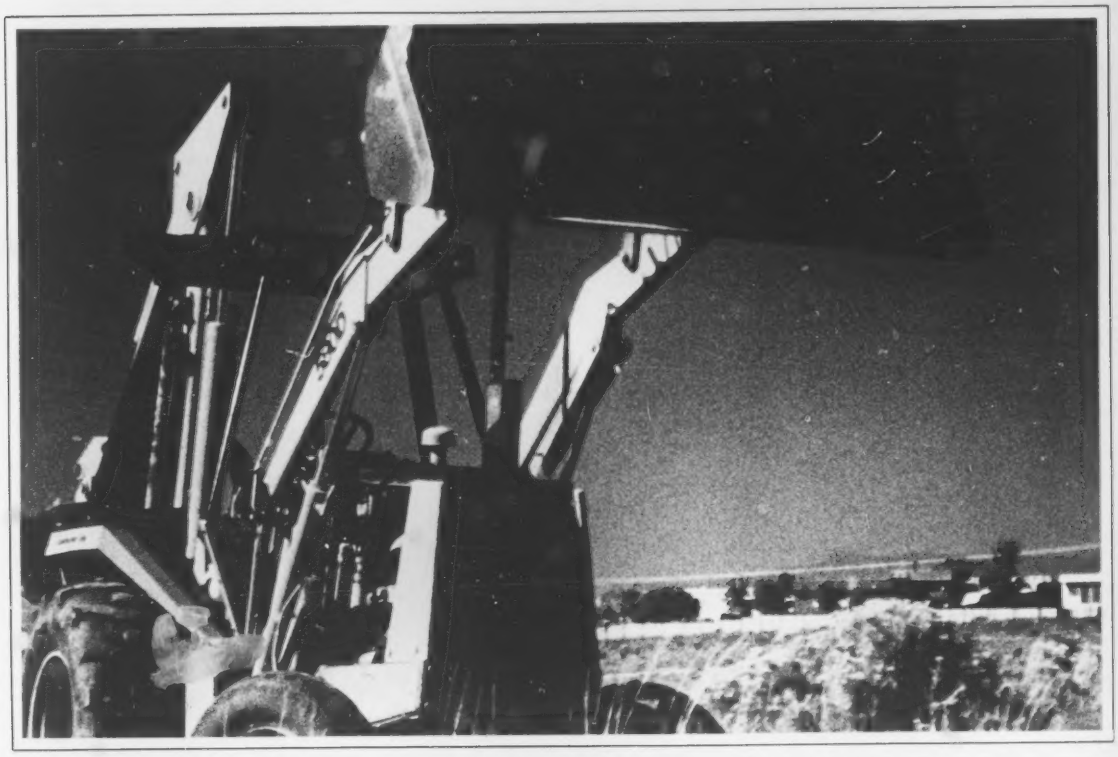

SURVIVING THE BUILDING SLUMP

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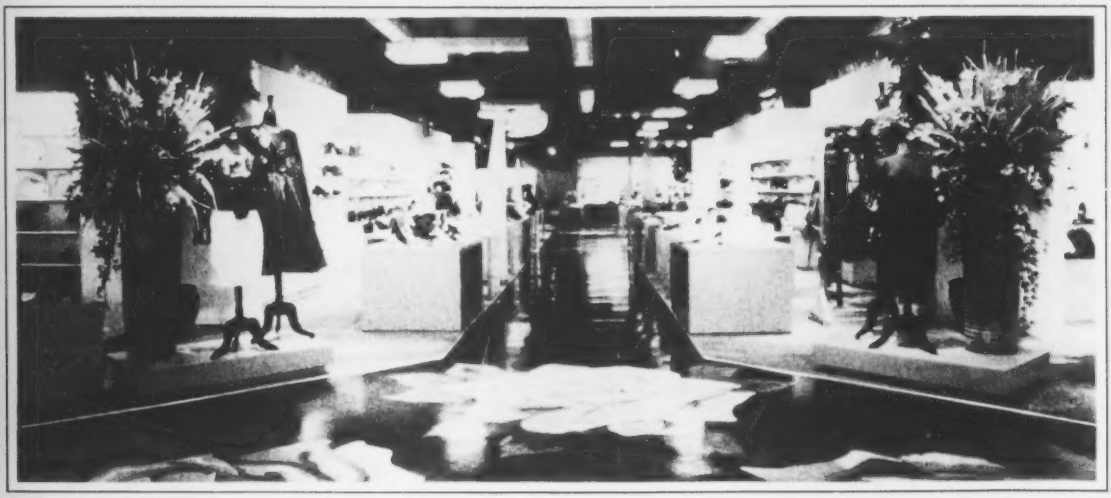


Lush, giant roses and other graphics mark the temporary interior created for fire-damaged Rustan's, one of the Philippines' leading department stores. A different graphic motif distinguishes each floor: Housewares uses window-shaped figures; children's is set off by colorful, abstract shapes. Work continues on the permanent renovation. 168

ECONOMIC SLUMP SOFTENS RETAIL SALES

FEW STORES ESCAPE LACKLUSTER TREND

As if further evidence of an economic slowdown were needed, the nation's largest retailers reported generally soft sales for September. Of particular note, many reported declining sales in stores that had been open at least a year.

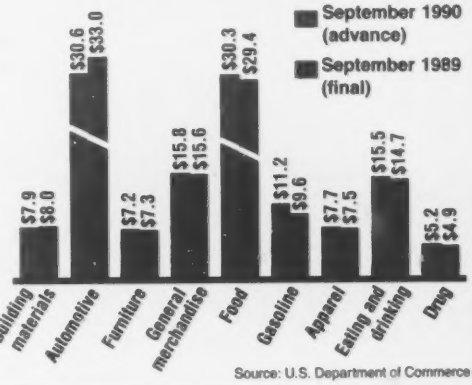
These trends add credibility to growing predictions of a sluggish Christmas season. Indeed, many analysts believe deteriorating public attitudes about the economy and the Iraqi oil crisis will lead more consumers to cut back on purchases for Christmas and beyond.

A few retailers—including perennial winners like The Gap and Wal-Mart—managed to rack up solid gains in September. On the other hand, The Limited, where sales are normally stellar, saw same-store sales for the month fall 3% and total company sales rise only 10.4%. Similarly, same-store sales fell 3% at Neiman-Marcus Group and 9% at Gantos.

Meanwhile, Sears Merchandise Group, which has been struggling with weak sales, showed modest gains of 4.2% in total sales and 4.4% in same-store sales for September. But troubles at Carter Hawley Hale Stores continued. The chain saw sales slip 0.2%, with same-store sales down 4.3%.

SEPTEMBER SALES

(Seasonally adjusted, figures in billions)



Source: U.S. Department of Commerce

CHAIN PERFORMANCE

Company	September '90 sales (000)	% change	% change comp. stores	YTD sales (000)	% change YTD	% change YTD comp. stores
Sears	$3,100,721	+ 4.2	+ 4.4	$21,829,269	+ 3.0	+ 3.1
K mart	2,817,600	+10.2	+ 0.7	19,979,900	+11.9	+ 2.4
Wal-Mart	2,461,000	+24.0	+ 9.0	19,514,000	+26.0	+11.0
Penney	1,406,000	− 1.3	− 2.6	9,879,000	+ 3.2	+ 2.0
Dayton Hudson	1,230,000	+11.3	− 2.0	8,570,000	+13.4	+ 4.8
May	901,200	+ 3.5	− 1.8	6,042,600	+ 9.1	+ 4.1
Melville[1]	840,173	+18.8	N/R	5,769,670	+11.9	N/R
Walgreen[1]	476,630	+ 9.2	+ 5.7	4,450,181	+11.9	N/R
Woolworth	477,000	+ 6.2	+ 2.1	3,480,000	+ 8.1	+ 4.6
The Limited	459,300	+10.0	− 3.0	3,129,000	+17.0	+ 5.0
Carter Hawley Hale	257,400	− 0.2	− 1.3	1,671,400	+ 0.6	N/C
Mercantile	210,910	− 1.7	− 4.4	1,405,056	+ 1.5	+ 0.4
Circuit City[2]	185,500	+16.0	− 1.0	N/R	N/R	N/R
Hills	201,900	+12.4	+ 8.0	1,290,000	+ 8.0	+ 4.5
The Gap	181,000	+17.0	+ 8.0	1,154,000	+24.0	+16.0
Rose's	101,388	+ 0.7	+ 1.0	949,127	+ 3.8	+ 1.8
Neiman-Marcus Group[3]	165,800	+ 4.7	− 3.0	289,900	+ 4.4	− 2.3
Edison Bros.[1]	106,300	+15.8	N/R	738,900	+16.4	N/R
Jamesway	70,215	− 3.0	8.0	549,864	+10.0	+ 5.0
Ross	63,000	+ 5.0	− 6.0	499,000	+ 8.0	− 4.0
Dollar General	45,900	+12.7	+ 8.3	114,600	+13.0	+ 9.0
Best Buy[4]	58,000	+35.0	+ 4.0	337,000	+27.0	N/R
Gottschalks	23,570	+19.9	+ 7.4	157,821	+24.1	+11.2
Claire's	19,690	+47.0	+ 9.0	148,880	+47.0	+13.0

[1]fiscal year ends Dec. 31 [2]fiscal year ends Feb. 28 [3]fiscal year ends July 31 [4]fiscal year ends Mar. 31
N/R = not reported N/C = no change

Source: Company reports

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